

highlights

a weekly digest of recently released British Columbia statistics

Labour Force

- **British Columbia's unemployment rate continued to fall in February.** After peaking at 9.7% (seasonally adjusted) in December, the rate fell to 8.9% in January and was down to 8.8% in February. The decline in the unemployment rate was a result of a 0.7% drop in the labour force which outweighed a 0.6% fall in employment.

The Canadian unemployment rate remained flat at 7.9% in February. Both the size of the labour force (0.0%) and the number of jobs (0.0%) remained constant. Despite an increase of 0.4 percentage points, Alberta posted the lowest rate (5.1%).

Source: Statistics Canada

- **Public sector employment in BC was hit hardest in February.** The number of employees working in the public sector dropped 4.9%. Private sector employment rose 0.9% marking the second consecutive monthly increase after spending most of last year in a decline. After a 2.0% increase in January, self-employment was down 1.3% in February. Full-time employment also slipped 1.3%, whereas the number of people working part-time rose 1.8%. Men (-0.5%) and women (-0.6%) both saw their employment numbers drop.

Source: Statistics Canada

- **Strong growth in manufacturing (+6.5%) pushed employment in the goods sector up 1.2% in February.** The number of jobs in forestry, fishing and mining slipped 1.0% and employment in the construction industry dropped 3.2%. On the service side, employment fell 1.0%. Retail and wholesale trade slipped 0.1% and the number of jobs in educational services decreased 3.4%. Professional, scientific and technical services was one of the few

service areas to see an increase (+2.8%) in employment.

Source: Statistics Canada

- **One more region of the province posted a double-digit unemployment rate in February, bringing the total to five.** The Thompson Okanagan saw an increase of 0.4 percentage points in the unemployment rate to reach 10.2%. This region now joins Vancouver Island/Coast (10.4%), Kootenay (10.1%), Cariboo (12.1%) and North Coast/Nechako (13.6%) with its double-digit rate. Northeast saw the largest decline in the unemployment rate. The percent of the labour force without jobs dropped to 8.1%, the lowest regional posting in the province. Victoria's unemployment rate climbed 1.0 percentage points to 7.4%. Vancouver also saw an increase (+0.3 percentage points to 8.5%).

Source: Statistics Canada

The Economy

- **The BC help wanted index (1996=100) slipped 1.0% (seasonally adjusted) in February.** Canada-wide, the index was down 0.8% to 124.
- **For the fifth straight month, department store sales rose (+1.4%, seasonally adjusted) in BC and the Territories.** Canada-wide, sales jumped 5.2%, with the largest increase in New Brunswick (8.6%). All other provinces were up with BC showing the smallest gain. Ontario (+7.1%) and Quebec (+4.7%) posted strong growth.

Source: Statistics Canada

Source: BC Stats and Statistics Canada

Housing

- **In the fourth quarter of 2001, the total value of investment in the housing sector climbed 8.8% in BC compared to the same period of 2000.** This strong fourth quarter performance

Did you know...

In 2000, Canada was the seventh most popular tourist destination in the world, up from eleventh place in 1995, and tenth place in 1980.

helped push residential construction investment up 7.7% in 2001. Total residential investment reached \$5.6 billion.

Canada-wide, residential investment gained 8.0% in the fourth quarter compared to the same quarter of the previous year. Yukon (-14.9%), Saskatchewan (-1.0%) and Nova Scotia (-1.0%) were the only regions to see a decline. Newfoundland and Labrador saw a 21.5% increase.

Source: Statistics Canada

- **In February, housing starts in the province fell 16.3% (seasonally adjusted) to 17,500.** This follows a 29.8% increase in January. Across Canada, there was a 12.3% drop in housing starts, with the largest decline reported in Nova Scotia (-26.3%). Manitoba (+14.3%) and Newfoundland (+42.1%) made gains.

Source: Canada Mortgage and Housing Corporation

- **The value of building permits in BC rose 20.7% (seasonally adjusted) in January.** Residential permits gained 5.3% and non-residential permits jumped 65.4%. Despite the growth in the province, values dropped in both Vancouver (-14.0%) and in Victoria (-13.9%).

Canada-wide, the value of building permits grew 17.4%. Residential permits soared 24.9% to \$2.4 billion, the largest gain since January of 1990. The value of non-residential permits was up 6.8%. Saskatchewan (+93.9%) and BC (+65.4%) made the biggest gains in non-residential permits, while Ontario (+41.2%) and Saskatchewan (+35.3%) had the largest increase in residential permits.

Source: Statistics Canada

- **In February, sales of attached, detached, and apartment properties in Greater Vancouver jumped 69%, compared to the same month of last year, to reach the highest number of monthly sales since April 1994.** Apartment sales jumped 97.1% to 1,023. The largest gain in apartment sales was seen in Delta South (+213%). All other areas also saw increases with North Vancouver rising 161% and West Vancouver up 106%. Sales of detached units climbed 58.5% compared to February 2001. The Sunshine Coast (+166.7%) and Vancouver East

(+107.4%) saw the largest increases. Sales of attached units reached 444, up from 395 in February 2001.

Source: Real Estate Board of Greater Vancouver

Inequality

- **From 1984 to 1999 wealth inequality among Canadians (excluding the bottom 0.5% of wealth earners) rose.** One reason for this was the drop in real average and median wealth among young couples with children and among immigrants. Another factor in the growth of wealth inequality was RRSPs, which made the largest contribution to the increase in wealth inequality. Unattached individuals and non-elderly individuals without children were less affected by the growth in inequality, whereas lone-parent families and non-elderly couples with children were more affected.

Gini-coefficients in Canada are rising. The Gini coefficient is a measure of income equality ranging from 0 to 1. A value of 0 signifies complete equality and a value of 1 shows total inequality. Among family units surveyed, lone-parent families had the highest Gini-coefficient in 1999 of 0.897 up from 0.807 in 1984. The lowest coefficient reported for all family units was 0.541 for elderly couples with no children. Overall, the Gini coefficient for Canada showed an increase in inequality, rising to 0.727 in 1999, up from 0.691 in 1984.

Source: SC 11F0019

Culture

- **The language you speak appears to influence the activities you enjoy.** A study conducted by Statistics Canada has found that anglophones and francophones have different cultural interests. Canadians whose home language was English were more likely to enjoy reading. Those who were French speaking had a higher tendency to attend performances such as the symphony. Francophones were also more likely to go to a festival whereas with anglophones visits to museums or heritage institutions were more common.

Source: Statistics Canada

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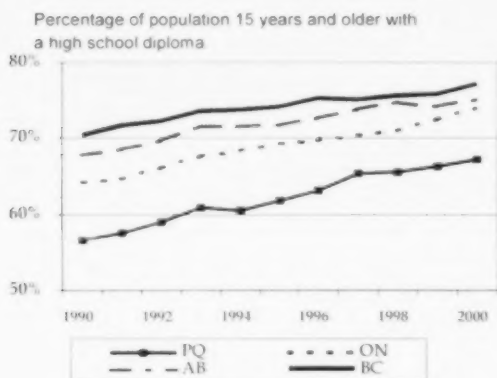
Update on High Technology Input Indicators

In the year 2000 a joint project of BC Stats and the Science, Technology and Telecommunications Division first published a set of forty-two indicators of the operating environment for high technology firms in British Columbia and three other provinces. Subsequent updates were obtained for thirty-two of the indicators. These were published in Input Indicators of the British Columbia High technology Sector, 2001 Edition.¹

This paper deals with some of the key trends that were observed over the 1990s, and highlights changes that have surfaced in recent years.

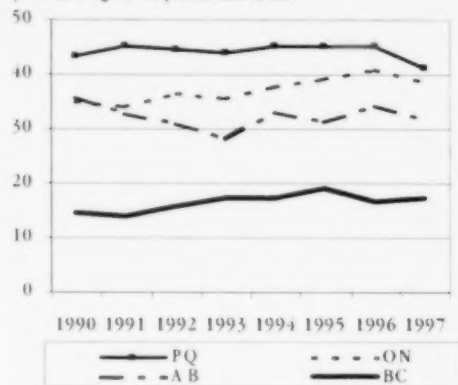
Educational Sector

British Columbia has had strong educational attainment levels throughout the 1990s. The data for the last reporting year shows BC continuing to have the highest percentage of the population with high school education.



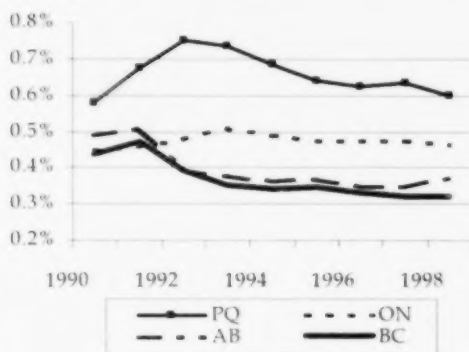
However, BC shows a very significant deficiency with respect to the training of new graduates in engineering and computer science.

Engineering bachelor degrees awarded per 100,000 persons aged 15 years and older.



Similarly, higher education research and development in relation to GDP is significantly low by Canadian standards.

Ratio of higher education performance of R&D to GDP.



¹ Available at the BC Stats web site:
www.bcstats.gov.bc.ca/data/bus_stat/hi_tech.htm

Business Sector

Compared to other Canadian provinces, British Columbia returns average or below average ratings in all of the business indicators.

However, many have long term upward trends and have shown good performance in the last two years.

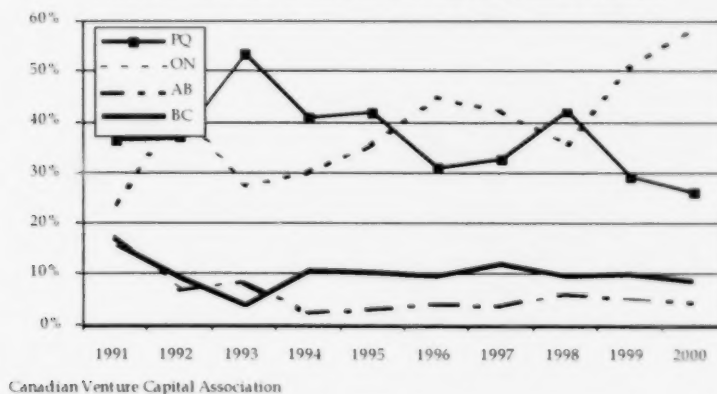
Quick summary of indicators for the business sector.

| INDICATORS | Trend | Latest year | Relative to other provinces |
|-----------------------------------------------------|-------|-------------|-----------------------------|
| Patents per 10,000 persons | ↑ | ↑ | below average |
| Patent applications per 10,000 persons | ↑ | ↑ | below average |
| Entries and exits into the high technology sector | ↑ | ↑ | n/a |
| # of establishments in the high technology sector | ↑ | ↑ | n/a |
| # of gazelles (high growth companies) | ↑ | ↑ | n/a |
| Venture capital investment | ↑ | ↑ | average |
| Venture capital investment: share of Canadian total | → | ↓ | average |
| Venture capital investment per capita | ↑ | ↑ | below average |
| Business performance of R&D to GDP ratio | → | ↓ | below average |

Exceptions are venture capital and business sector research and development. The proportional share of Canadian venture capital investment attracted by BC business has declined from the previous year.

Business sector performance of research and development has also lagged, the ratio of research and development performance by business to provincial GDP was over twice as large in Quebec and Ontario as in BC.

Proportional share of Canadian venture capital investment

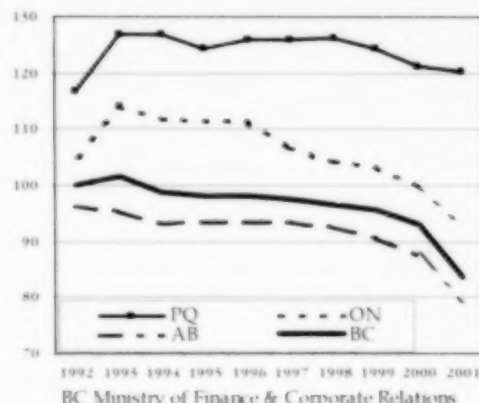


Government Sector

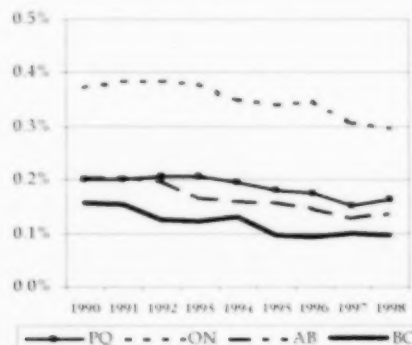
Taxation of individuals and small business is more favourable in BC than in most other provinces, while the general corporate tax rate has been higher than in the other major provinces. Business taxation was significantly reduced in July of 2001. The level of personal taxation was dramatically cut a month earlier. The high technology indicators use an index benchmarked to the BC level in 1992 of all taxes paid by unattached individuals earning \$80,000 per year as one measure of the attractiveness of the province to senior staff in high technology firms. This index was reduced significantly by the recent changes, although reductions also occurred in Alberta and Ontario.

Combined federal and provincial government performance of R&D, as a share of GDP, is substantially lower in BC than in other provinces. In 1998 (the latest data year), the share was 30% lower than in the next closest province—Alberta.

Index of all taxes paid by unattached individuals earning \$80,000 per year



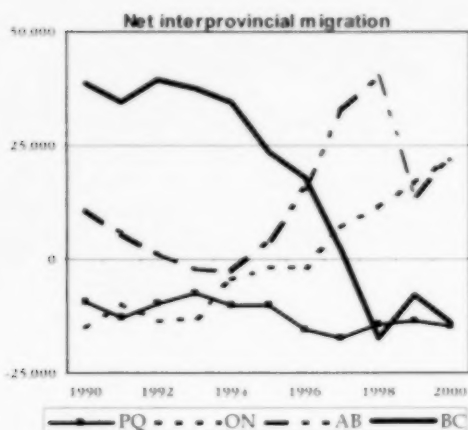
Ratio of combined federal and provincial R&D to GDP



External Sector

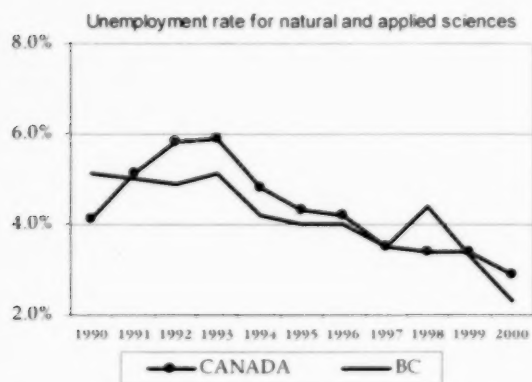
The number of well-trained immigrants to Canada has increased greatly in recent years, and their level of schooling has increased as well. In relation to its population size, British Columbia is on a par with other provinces in attracting skilled immigrants.

BC is also likely to gain educated and trained workers when there is in-migration from other provinces. However, since 1998, BC has been experiencing inter-provincial out-migration.



Labour Sector

Unemployment rates among workers in the natural and applied sciences are well under half the rates in the economy overall. Further, these unemployment rates have been falling quite consistently since the early 1990s.



Although the data are not yet released for 2001, it is possible that this trend has stalled or reversed. This would signal an easing of recruitment problems, and could benefit firms that are in the midst of expansion.


In terms of researchers per 100,000 persons, British Columbia moved from an eighth place ranking in 1995 to a fourth place ranking in 1998, the latest date for which data are available.

Summary

The general position of BC in relation to the other major provinces remains below average. However, indicators are slowly improving in many areas. It is too soon to gauge the effectiveness of recent public or private sector steps to improve the framework for high technology development in the province.

BC Stats recognizes the importance of providing the latest information available. We are working to improve the frequency of release for our statistics on the High Technology sector. In addition we are exploring the possibilities of expanding comparisons to include selected U.S. states. Watch our web site, or future editions of Business Indicators for progress in these areas.

 fax transmission information service from **BC STATS**

 Email transmission information service from **BC STATS**

 also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

| POPULATION (thousands) | | % change on one year ago |
|-------------------------------------------------|----------|--------------------------|
| | Oct 1/01 | |
| BC | 4,102.8 | 0.9 |
| Canada | 31,156.4 | 1.0 |
| GDP and INCOME | | % change on one year ago |
| (BC - at market prices) | 2000 | |
| Gross Domestic Product (GDP) (\$ millions) | 127,564 | 5.8 |
| GDP (\$ 1997 millions) | 124,464 | 3.9 |
| GDP (\$ 1997 per Capita) | 30,664 | 3.1 |
| Personal Disposable Income (\$ 1997 per Capita) | 19,029 | 3.1 |
| TRADE (\$ millions) | | % change on one year ago |
| Manufacturing Shipments (seas. adj.) Dec | 2,635 | -15.9 |
| Merchandise Exports (raw) Dec | 1,971 | -46.4 |
| Retail Sales (seasonally adjusted) Dec | 3,284 | 5.9 |
| CONSUMER PRICE INDEX | | % change on one year ago |
| (all items - 1992=100) | Jan '02 | |
| BC | 115.4 | 0.8 |
| Canada | 116.2 | 1.3 |
| LABOUR FORCE (thousands) | | % change on one year ago |
| (seasonally adjusted) | Feb '02 | |
| Labour Force - BC | 2,114 | 0.6 |
| Employed - BC | 1,929 | -1.1 |
| Unemployed - BC | 185 | 22.1 |
| | Feb '01 | |
| Unemployment Rate - BC (percent) | 8.8 | 7.2 |
| Unemployment Rate - Canada (percent) | 7.9 | 6.9 |
| INTEREST RATES (percent) | | Mar 7/01 |
| | Mar 6/02 | |
| Prime Business Rate | 3.75 | 6.75 |
| Conventional Mortgages - 1 year | 4.55 | 7.05 |
| - 5 year | 6.85 | 7.50 |
| US/CANADA EXCHANGE RATE | | Mar 7/01 |
| | Mar 6/02 | |
| (avg. noon spot rate) Cdn \$ | 1.5832 | 1.5490 |
| US \$ (reciprocal of the closing rate) | 0.6325 | 0.6452 |
| AVERAGE WEEKLY WAGE RATE | | % change on one year ago |
| (industrial aggregate - dollars) | Feb '02 | |
| BC | 656.21 | 2.0 |
| Canada | 645.24 | 2.8 |

SOURCES:

Population, Gross Domestic Product, Trade
Prices, Labour Force, Wage Rate } Statistics
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics } Canada
For latest Weekly Financial Statistics see www.bankofcanada.ca

Released this week by BC STATS

- Quarterly Regional Statistics, 4th Quarter 2001
- Immigration Highlights, 4th Quarter 2001
- Tourism Sector Monitor, February 2002

Next week

- Labour Force Statistics, February 2002

